

INSTRUCTIONS FOR SUPPLEMENTAL SCHEDULES 1 AND 2 DETAIL OF ADMINISTRATION AND INDIRECT CARE AGENCY COSTS

Note: Completed versions of the electronic schedule must be labeled with your facility's OSHPD number (e.g., 206xxxxxx). Do not alter the tab names or data descriptions in the Excel workbook. Any altered worksheet formats will be rejected and excluded from the rate calculation. Supplemental Schedules can **not** be used to correct data to your facility's OSHPD Report.

Schedule 1 – Detail of Administration Costs

Several of the costs outlined as pass-through costs in AB 1629, including caregiver training, liability insurance, and facility licensing fees are currently included within the Administration line of the OSHPD Report (Page 10.1, Line 165). Similarly, medical records costs are currently included within the Administration line, although AB 1629 requires these costs to be separately identified and reimbursed within the Indirect Care Labor cost category. In order to identify the costs that are currently bundled within the Administration line of the OSHPD Report, it is necessary to complete Schedule 1 – Detail of Administration Costs. Facilities that do not submit Schedule 1 will not be reimbursed for the caregiver training, liability insurance, and facility licensing fee pass-through costs. For non-compliant facilities, these costs will remain in the fiscal period ending 2004 OSHPD Report (page 10.1, line 165, "Administration") and will be subject to the lower reimbursement ceilings related to the Administrative cost grouping.

1. The reporting period for Schedule 1 is the same period as your facility's OSHPD Report ending in calendar year 2004. Account Number 6900, labeled as "Administration – Total" on Schedule 1, **must tie to your facility's OSHPD Report** submitted with an end date in calendar year 2004.
2. If your facility submitted more than one OSHPD Report in calendar year 2004, you must complete Schedule 1 for **the most recent reporting period containing at least six months of data**. For example, if your facility submitted a report for the period 7/1/03 to 6/30/04 and another report for the period 7/1/04 to 12/31/04, the facility would only complete supplemental information for the second reporting period. If, on the other hand, your facility submitted a report for the period 1/1/04 to 9/30/04 and another report for the period 10/1/04 to 12/31/04, the supplemental information would be based on the first report (since the second report only contained 3 months of data). **If your facility underwent a change of ownership in calendar year 2004** and the old owner's data will be used for rate-setting,¹ it is the new owner's responsibility to work with the old owner to ensure supplemental schedules are submitted to the Department.
3. Costs reported in columns A through I of Schedule 1 should reflect total facility costs. In order to determine the SNF and subacute attributable portions of the total facility cost, enter the accumulated cost information from your facility's OSHPD Report ending in calendar year 2004 in columns J, K and L.
4. On Schedule 1, columns A through C under "Detail of Administration Costs Reported on OSHPD Report Ending in 2004" will provide detail of the costs currently aggregated in account number 6900 – Administration. For each element of costs reported in account number 6900,

¹ The old owner's data will be used for rate-setting if the new owner has not submitted a report ending in calendar year 2004 with at least six months of data.

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sub-account numbers have been identified, which correspond to the uniform accounting and reporting system.

- a. Salaries and Wages (Column A labeled as Salaries and Wages on Schedule 1) and Employee Benefits (Column B labeled as Benefits on Schedule 1) are defined in the OSHPD Accounting and Reporting Manual for California Long-Term Care Facilities, Section 3240, Natural Classification of Expenses.
 - b. For account number 6900 – Administration, Column A on Schedule 1 **must reconcile** to page 10.1, line 165, column 1 of your facility’s OSHPD Report ending in 2004; Column B on Schedule 1 **must reconcile** to page 10.1, line 165, column 2 of your facility’s OSHPD Report ending in 2004.
 - c. Other Expenses (Column C on Schedule 1) represent professional fees, purchased services, supplies, and other direct expenses. For account number 6900 - Administration, Column C on Schedule 1 **must reconcile** to page 10.1, line 165, column 3 of your facility’s OSHPD Report ending in 2004.
5. Column D on Schedule 1 represents total salaries/wages, benefits and other expenses reported in the prior columns. For account number 6900 – Administration, Column D on Schedule 1 **must reconcile** to page 10.1, line 165, column 4 of your facility’s OSHPD Report ending in 2004. If you are completing the electronic version of Schedule 1, column D will include formulas that automatically calculate the sum of columns A, B, and C.
6. Columns E through G under “Self-Reported Adjustments” will provide summary information on adjustments your facility made to certain costs reported on page 10.1 of your facility’s OSHPD Report submitted with an end date in 2004.
- a. If applicable, adjustments should be broken out into: adjustments to salaries and wages (Column E), adjustments to benefits (Column F), and adjustments to other expenses (Column G).
 - b. For account number 6900 – Administration, Column H on Schedule 1 represents all adjustments made to the Administration cost center on page 10.1, line 165, columns 5 through 13 of your facility’s OSHPD Report ending in 2004.
 - c. Any adjustments made in columns E, F, and G on Schedule 1 must be detailed on the portion of Schedule 1 titled “Detail of Self-Reported Adjustments.” This portion of Schedule 1 includes a line item for each adjustment on which the facility can report the Account Number, the Account Description, the amount of the adjustment to the respective account, and an explanation of the adjustment. If you are completing the electronic version of Schedule 1, this section is found in the tab titled “Sch. 1 Adjustment Detail.”
7. Column H on Schedule 1 represents total adjustments reported in columns E, F, and G. If you are completing the electronic version of Schedule 1, column H will include formulas that automatically calculate the sum of columns E, F, and G.

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8. Column I on Schedule 1 represents total expenses less self-reported adjustments. For account number 6900 – Administration, Column I on Schedule 1 **must reconcile** to page 10.1, line 165, column 14 of your facility’s OSHPD Report ending in 2004. If you are completing the electronic version of Schedule 1, column I will include formulas that automatically calculate the sum of columns D and H.
9. Columns J, K and L on Schedule 1 will provide the allocation statistics necessary to determine apportionment factors, which will be used to calculate the SNF and Subacute portion of the reported facility costs. Once the information is entered in account number 6900 – Administration, the apportionment factors will automatically calculate in cells X22 and Z22.
 - a. For account number 6900 – Administration, Column J on Schedule 1 **must reconcile** to page 11.1, column 10, line 40 of your facility’s OSHPD Report ending in 2004. If your facility does not provide skilled nursing care services, leave column J blank.
 - b. For account number 6900 – Administration, Column K on Schedule 1 **must reconcile** to page 11.1, column 10, line 60 of your facility’s OSHPD Report ending in 2004. If your facility does not provide subacute care services, leave column K blank.
 - c. For account number 6900 – Administration, Column L on Schedule 1 **must reconcile** to page 11.1, column 10, line 85 of your facility’s OSHPD Report ending in 2004.
10. Column M on Schedule 1 represents the skilled nursing attributable expenses for Medi-Cal rate-setting purposes. If you are completing the electronic version of Schedule 1, column M will include formulas that automatically calculate the SNF-attributable expenses for Administration – Total, Professional Liability Insurance, Medical Records and Caregiver Training.
 - a. Report the portion of the total licensing fees paid for SNF beds in cell AD25.
11. Column N on Schedule 1 represents the subacute attributable expenses for Medi-Cal rate-setting purposes. If you are completing the electronic version of Schedule 1, column N will include formulas that automatically calculate the Subacute-attributable expenses for Administration – Total, Professional Liability Insurance, Medical Records and Caregiver Training.
 - a. Report the portion of the total licensing fees paid for subacute care beds in cell AH25.

Schedule 2 – Indirect Care Agency Costs

AB 1629 provides that indirect care labor costs (both permanent and temporary agency staff) will be reimbursed in the Indirect Care Labor cost grouping. The current OSHPD Report does not specifically identify agency staffing labor costs incurred to provide indirect care support services. In order to identify the agency staffing labor costs your facility may expend to outsource some or all indirect care support services, it is necessary to complete Schedule 2 – Detail of Agency Costs for Indirect Care Services. **If your facility does not rely on agency staffing to provide support services, you are still required to complete Supplemental Schedule 2.** Facilities not utilizing agency staff to provide support services should input “0” in each cell of the electronic file under “Total Facility Agency

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Expenses.” Facilities that do not submit Schedule 2 will be subject to the lower reimbursement ceilings related to the Direct /Indirect Care Non-Labor cost grouping.

1. The reporting period for Schedule 2 is the same period as your facility’s OSHPD Report ending in calendar year 2004.
2. If your facility submitted more than one OSHPD Report in calendar year 2004, you must complete Schedule 2 for **the most recent reporting period containing at least six months of data** (see page 1, point 2 of these instructions for additional detail).
3. Costs reported in Column A of Schedule 2 should reflect total facility costs.
4. Costs reported in Columns B and C of Schedule 2 should reflect costs attributable to the FS/NF-B and the subacute care unit of the FS/NF-B, respectively.
 - a. If your facility utilizes agency staff to provide support services to more than one level of care (including residential care), you must allocate total costs attributable to the FS/NF-B and the subacute care unit of the FS/NF-B.
 - b. **If your facility cannot separately identify the agency costs attributable to the FS/NF-B or the subacute care unit of the FS-NF-B**, the agency costs will need to be allocated using the approved OSHPD allocation methodology. Costs should be allocated on the statistical basis identified on page 11.1 of your facility’s OSHPD Report submitted with an end date in 2004. For example, Plant Operations and Maintenance and Housekeeping agency costs should be allocated using the basis of square footage as reported on your facility’s OSHPD Report ending in 2004, Laundry and Linen agency costs should be allocated using the basis of clean, dry pounds, Dietary agency costs should be allocated using the basis of number of meals served, and Inservice Education agency costs should be allocated using the basis of direct expenses.
5. For each account number listed on Schedule 2, report the total labor expenditures associated with employees of contract agencies that work under the general supervision of nursing facility personnel but that would not, under labor law, be considered nursing facility employees.
 - a. For example, the OSHPD Accounting and Reporting Manual for California Long-Term Care Facilities indicates that fees paid to outside organizations to provide functions such as dietary or laundry and linen services are reported using natural account number .79, “Other - Purchased Services.” Labor expenditures reported on this supplemental schedule should only include costs in natural account number .79 that meet the definition of agency costs (as identified above in point 5).